UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF MASSACHUSETTS

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, Plaintiff,	)	
-V-	)	CIVIL DOCKET NO. 05-10990-DPW
HARMAN INTERNATIONAL INDUSTRIES, INC., Defendant.	)	

MOTION HEARING
BEFORE THE HONORABLE JUDITH G. DEIN
UNITED STATES MAGISTRATE JUDGE

November 16, 2007

Boston, Massachusetts

APPEARANCES:

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Proceedings recorded by electronic sound recording, transcript produced by Apex Reporting.

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P R O C E E D I N G S

(10:08 a.m.)

THE CLERK: Please be seated.

United States District Court for the District of Massachusetts is now in session, on August 3, 2006, in the matter of MIT versus Harman, Civil Action No. 2005-10990.

Could counsel please identify themselves for the record?

MR. BAUER: Your Honor, Steve Bauer, from Proskauer Rose, with me is John Pint and Kim Mottley.

MR. STREFF: Good morning, your Honor. Bill Streff from Kirkland and Ellis, with me are Craig Leavell and Jamal Edwards, Colleen Garlington.

THE COURT: Okay.

MR. STREFF: Also Courtney Clark and our client, Mr. Robert Harman.

THE COURT: Does anybody else want to introduce themselves?

We're here on the motion for summary judgement on the issue of public use. Do you want to go?

MR. STREFF: Thank you, your Honor.

First of all, your Honor, thank you very much for allowing us to appear before you and to present this in oral argument in addition to the briefing we've submitted, which we do understand is an awful lot of paper.

THE COURT: It is. I do find the arguments helpful.

MR. STREFF: I hope you will continue to hold that at the end of this one.

Your Honor, the key element here and the reason we're here on summary judgement, is that MIT itself has stipulated, admitted that Claim 1 being asserted against Harman, was reduced to practice as of June of '89. Now in full disclosure, if this were not summary judgement, we believe we could show that it's reduced to practice earlier than that. But they have stated that Claim 1 was reduced to practice as of June of 1989.

Their issues with respect to claims 42 and 45, we'll get to, but for purposes of this motion, they cannot back away from this undisputed fact.

THE COURT: Is there a specific reduced to practice definition that you're all agreeing on?

MR. STREFF: Yes, your Honor.

THE COURT: I mean, they had an objection that it called for a legal conclusion, I guess.

MR. STREFF: Well, it is not a legal conclusion to (unintelligible).

It is a fact that the elements of Claim 1 were known to work for their intended purpose. Indeed, reduction to practice is different from ready for patenting. It's a

concept of the patent law which is important because it's different from conception.

I can think of something as I'm going down the elevator, I conceived of that invention. Reduction to practice occurs two ways. Actual reduction to practice, I make one, it works for its intended purpose. There's also something called constructive reduction to practice which mean, I file it in the Patent Office as a patent application, what's in there has been constructively reduced to practice.

THE COURT: Is their admission relating ro an earlier version?

MR. STREFF: No, your Honor, not at all.

The version -- and here again, versions themselves, are irrelevant.

THE COURT: Okay.

MR. STREFF: Version 1, 2, 3, you know, they can change a word here and there. It's the elements, the features in the claim. They admitted that the things in the claim, the discourse generator, the speech generator, the functional connectivity, have all been reduced to practice. They knew it worked for its intended purpose. Indeed, your Honor, as the evidence shows unequivocally here, 50 times they were driving around the streets of Boston in various descriptions in various publications as early as June, state

that the system worked and it worked well and they were telling their sponsor, NEC, they were eager to demonstrate.

So this reduction to practice, in and of itself, establishes as of June of '89, a date they cannot back down from. There's no requirement that this Court reach a legal conclusion of reduction to practice, they've admitted it with respect to all the elements of Claim 1. And your Honor, they had to, all the documents, based on all of their reports which we got from Mr. Ritmeuller which they had failed to retain, indicate that they were driving around the streets of Boston doing what the system was meant to do. There'd be no reason to put a third party behind the wheel if it didn't work.

And indeed, not only did it work, it worked well. And by June, they pilgrimage to Rosemont outside of Chicago for a three day conference on consumer electronics, submitted a paper on June 9th, abstract of a paper and told the world that it worked, it worked well. Within that particular paper of June 9th, and that's Exhibit 11, your Honor, they even talked about multiple instructions, long and short as required by Claim 45, as well as the use of intersections a taxonomy of intersections. You come to a decision point, is it a rotary or is it a right-hand turn? Those intersections had been around since direction assistance, which was the earlier project that we showed

your Honor when we were here last time, which involved a guy going to a phone booth and putting it in and --

THE COURT: Right.

MR. STREFF: So hard to believe they wouldn't continue to use that and indeed, their June 9th paper, Exhibit 11, says, we added some new intersections, we added rotaries this time. Okay, fine. Adding a different kind of intersection is not a different version. Because what has to be in public use is simply the elements of the claims. If they change the claims, a different thing has to be in public use. But the fact that they may have one which is more optimal than the other, they had a tweak here and there. They say, turn right, as opposed to, make a right turn at the intersection ahead.

Those kinds of things don't change the claim language, don't change the device. And indeed, the actual reduction to practice of June of '89 meant that each and every one of the uses with people in the car, were public uses, could not be experimentation. As the law says, once you have reduction to practice, that's why it's critical, there can no longer be experimentation at all, done completed, final.

Now your Honor, here again, there were 50 uses that are admitted. We'd like to focus for purposes of this summary judgement motion on the month of July. Why?

Because specifically, the documentation that MIT did produce, indicates that their computer system had voice data -- again, May 2nd, we would argue that public use began May 2nd and been reduction to practice on May 2nd in order to get there. All you have to get to here, is the example that in July, on the 11th, 12th, 15th, 18th, 19th, 21st, 25th and 26th, based on their own computer records, there was a person driving the car with the system enabled, that's what this document states. That is Exhibit 14 that's attached to out motion.

And here again, your Honor, they don't back off of this. They admit that a person, a non-employee was in the car each of these particular times. They don't' have the records of who was in the car, but we'll get to that in a minute. But admittedly, the device was used for its intended purpose on the streets of Boston, in July, after the admitted June reduction to practice and before the critical day of August 9th.

As we discussed, your Honor, April 30, there's a document that we got from Mr. Ritmeuller that he had retained which indicated that the system was already working quite well, eager to demonstrate it, we continue testing with drivers. Now, the testing is to see the driver's reaction. The system is working in accordance with its intended purpose and is working well. Thier words, their

admission, out of their documents sent to thier sponsor.

Indeed, the sponsor sent it over to Japan May 22nd of 1998. So we know that this document was out there. It's not one of those where, gee, it's got a date on it and we forgot to send it until later. It's admitted May 22nd of '89, Mr. Ritmeuller was smart enough to inform his Japanese colleagues, who were paying $400,000, of the success at that time of the property.

So as early as April 30 in our time line, the system is working and working well, indicating again, that those July trips through the streets of Boston worked, and worked well.

THE COURT: So they can't be deemed experimentation --

MR. STREFF: Absolutely not, your Honor.

THE COURT: -- because of the admission of reduction to practice?

MR. STREFF: Exactly.

THE COURT: Okay.

MR. STREFF: This is simply the June of '89 paper that was published, again, working in prototype form, it doesn't matter what you call it. I mean, certainly not a commercial form. We're not saying they were offering it for sale. But it was working in its intended purpose. And the told June 9th, the entire IEEE that fact -- that's that

industry organization of electrical engineers that met in Rosemont and Chicago.

Now July 31st, in another quarterly report, is the admission that the Back Seat Driver was tested on 50 subjects. Again, their own words, again, July 31st is well ahead of August 9th.

They also, not wanting to be secret at all, gave interviews resulting in trade publications for the prototype guidance system that uses speech synthesis as a navigation aid. The source, MIT. So here again, July 17th, the world can easily in automotive news, what's going on. No secrecy.

In addition, a manuscript submitted June 9th of 1998 says -- their words, your Honor, at the time of this writing, June '89, with a working system on the road and are simultaneously conducting field trials. Now, calling it a field trial does not make it experimental use because of the admitted reduction to practice.

We would argue that they've been doing it since April of '89. For the purposes of this motion, we're focusing on July because we specifically have those dates. Successfully being used by drivers who have never driven in Boston -- again, their own words -- not something that didn't work, stopped in its tracks, made a wrong turn, it was successful. Even more than for its intended purpose. All we have to prove is intended purpose, here they're

saying, success.

So we add that to out time line, we've got the June papers.

Now let's talk about Claim 42. Claim 42, your Honor, is the one that adds the use of an intersection taxonomy which drives the discourse model that tells you, get on the rotary as opposed to, take a right at the intersection. It basically tells you the acts you're going to perform will be different depending upon what you've confronted at this intersection of two segments.

Now, this particular aspect, this feature, was embodied in the papers we talked about (unintelligible). It was carried over from a direction assistance, they admitted that, they cite to it. And their own publications demonstrate reduction to practice as early -- probably earlier than -- June of '89.

Let me just summarize here how this comes up and 45 comes up. All throughout discovery, indeed in response to not one, but two interrogatory requests, MIT admitted that they had reduced Claim 42 as on June of '89. And so your Honor saw that admission we had up there before, Claim 1, they've admitted 42 and 45. Indeed, they cite to the same -- the NIS paper and they completely understood they had to.

So what happens? Right up -- the end of

discovery, there's a deposition, a 30(b)(6) of Mr. Schmap. He says, you know, I'm at this deposition, I don't have the papers in front of me, so I really can't tell you if it was reduced to practice. They then file a supplemental, third time, second supplemental interrogatory response backing away from the stipulation with respect to reduction to practice of Claim 42 as of June.

We submit to your Honor, they were right the first time, they were right the second time. The citations to their own basis, their own documents -- that's right -- and they cannot create a genuine issue of material fact by simply citing to one of their indentures that goes to a deposition, isn't well prepared and say, gee, without the documents, I can't tell. If that's all you need to respond to a motion for summary judgement, then maybe I'm just reading the cases or something. But I don't know -- or as Steve Martin used to say, I forgot -- doesn't cut it. They must come forward with some evidence that says, geez, we just found the software code was missing from a particular embodiment, that they couldn't really look at an intersection and change what it was going to say based upon the taxonomy applicable to that intersection.

And all that is, is the system itself sees the connection between two segments, realizes one is a rotary, one may be a bridge, one may be an on-ramp and uses

different language to tell the driver what to do. They've been doing that since day one.

So we submit that in addition to Claim 1, Claim 42 is undisputedly reduction to practice as of June, therefore, no experimentation.

Same is true of Claim 45. To refresh your recollection, your Honor, Claim 45 is the long and short instruction. Indeed, throughout the papers in June of '89, it says that if there's time, we'd give a long instruction, let the driver think about it, and then give an instruction just in (unintelligible). Always talked about it, always said it, had been doing it from the beginning. One of the things they thought the Back Seat Driver did well, same issue with respect to the absence of a stipulation as we sit here today.

First interrogatory response, reduction to practice June 1. Supplemental response, reduction to practice June 1. Response supplementation filed right at the end of discovery and -- so we can't ask anybody else about it again -- says, gee, I didn't have the documents, I really don't know. One guy, Schmap, 30(b)(6), but all the documentation that they submitted in response to the answers to interrogatories the first two times, again established undisputedly -- that is, there is no credible evidence to create a genuine issue of material fact that long/short

instructions as claimed in Claim 45, were in the device, the version was in the car, it was used at least on those July dates.

Now, we kind of get lost in some of the responses here about experiments on the field drives. Public use is simply, use in its natural and intended way of the elements that are in the claim. No one refutes that. And 102(b) has been around forever in one way or another in the patent act. And here again, all the statute says is, the invention -- the invention that is what was claimed, 42 and 45, was in use more than one year prior to the date of application for the patent.

This is like a statute of limitations, it's not one of these things you can fudge or have a (unintelligible). If you file your application a year and a day after a single public use, you're not entitled to that patent. It may seem unfair, but what's being given here? A 17 year -- or now 20 year, right to exclude others, a monopoly. Shouldn't be 20 years and a day. Shouldn't be 20 years and three or four months. It's 20 years. So other people can get around to providing new innovations, other people can use the invention, because that's part of the quid pro quo to have that.

So it's not unfair that they missed by a few months, but they missed. And therefore, those claims are

invalid for public use.

Now, other cases have hit similar situations and have also found public use. In the Beachcomber case, the inventor held a party at her house, not unsimilar to inviting somebody to drive in your car, 20-30 -- she didn't jam 50 people in there, she only had 20 or 30 -- and she personally demonstrated it to the guests for the purpose of getting feedback on the device. A lot of similarities here. She made no efforts to conceal or to keep it secret. When they left the house, they could tell their friends, boy, did I see a nifty device at that party last night . The same way all those 50 folks that were the subjects in the car, and the one specifically in July between reduction to practice and the critical date, had no restriction whatsoever on telling everybody, you know, I just drove in a car and it was great. It was like having somebody that knew the city telling me what to do, that Back Seat Driver is just awesome.

We submit that like Beachcomber, the public use exists here and there is no other conclusion legally, based upon the undisputed facts.

I need to emphasize this one because, as you see in the Beachcomber case, she only did it once in front of 20 or 30 people, any one of those uses is enough. We think the fact that there are so many that are admitted makes even a

stronger case here.

And this is the concept that the Court of Appeals says many times, it encourages the prompt filing and just sets an outer limit on the exclusivity, that you can exclude others and see what we have left.

And again, another CAFC case, these are all cited in our brief, I won't waste your time.

Now, there can be no experimental use once there is actual reduction to practice. Black letter law, your Honor, focused on it before I got this (unintelligible).

However, even if there was an argument of experimental use here, if for some reason you don't believe the stipulation and there's some question on 42 and 45, which there shouldn't be, they have the duty to come up with evidence of an experimental use, and they failed to do so. So even thought we say it's a full stop based on the law, they can't come up and forward the evidence anyway, and that's an additional argument we've hat that supports our point that 102(b) should invalidate this patent.

And it's not just coming forward with some evidence, gee, I kind of thought that they might not tell anybody because we're in a university -- of course their policy says otherwise -- but they have to come up with convincing evidence to counter the showing of public use.

Well, were there detailed progress reports kept

here that you've seen in this courtroom or attached to the briefs? No.

Did the testers know the testing was occurring? Anybody come and tell us that? No.

Do we have anything here that suggests that these were test subjects? Well, there are no of any subjects testing --

THE COURT: But see, you're saying that the 50 drivers -- certainly the tone of the reports at that was, we're learning from these field tests, we're modifying the system. I mean, if you don't have the reduced to practice, if you don't have that, you don't thing there's sufficient evidence to say that this was experimentation?

MR. STREFF: Absolutely, your Honor.

It's insufficient for the following reasons.

The inventor's intent is irrelevant. Different from when we were here before you the last time. If there's no case law -- indeed, contrary case law, we'll get to, says the inventor's intent is irrelevant. And certainly, let's assume that they're correct -- although the evidence is a little sketchy -- that after a couple of test drives, they decided to add another intersection taxonomy or they decided to add an instruction that said, now instead of, in a minute or they just changed or tweaked something. It doesn't change the invention.

I mean, if it was that detailed, we wouldn't be here, it wouldn't infringe. But in the context of what's happened here, you look at what they're claiming, you can tweak it all you want -- and it does say, we're looking for optimal, we're listening to see what the subjects do, we're going to learn something new, maybe to add an additional intersection or an additional long instruction. The invention is still reduced to practice.

What does reduction to practice mean? Works for its intended purpose. It successfully worked well for its intended purpose. They have to come back and say, well no, now we thought we'd have to add a feature and we're going to do it in claims. Those features have always been in there.

So, just calling something a field trial doesn't cut it, because there's no evidence. Calling it a prototype doesn't cut it. What was the device and did it word for its intended purpose? Their own language says it worked, it worked well, it was successful, can't wait to demonstrate it. And all these people who had never been to Boston before -- no accidents, got back to their destination. You know, I think even Boston driving, that's pretty good.

And it's the test subjects, it's the people, it's what steps are taken, what documents are signed -- I'm sorry, we haven's seen any of those. There are no signed waiver forms here, your Honor, the waiver forms themselves

we'll see in a minute, don't even require confidentiality. And no records of any identified experimental subjects.

They knew back in '89 who the subjects were. They could have kept records. If they had wanted an experimental use argument, I don't thing they felt they could have one because they were already telling the world it was a completed deal. They could have kept records, they could have retained those records. They didn't, they made the decision not to retain them or they never got them. But they have to come forward with that evidence and they haven't.

And your Honor, it's the Electromotive case to which I was referring, that the inventor's intent that it's an experiment, cannot establish his activities are a patent experiment.

Now, we've talked about this confidentiality obligation. Here again, we don't think you need it. Let's drill down on the evidence they've come forward with. No agreements. They did talk about some human factors agreement. You know, you don't want to put people in a car without having them say they're not going to sue you if you crash or something. But that's not a confidentiality agreement, there's no mention of it, the subject said they didn't waive any rights in it. And indeed, they even admitted that that waiver form only applied to 14 of the 50

people.

And here's the form, it's consent to be an experimental subject. They sign these things in institutions just so that people know what they're doing. Doesn't say, keep it confidential. It says, I don't waive any rights. And we haven't seen a signed a signed copy of any of these. So it's kind of like saying, yeah, we're covered because we had this form. But the never showed us who signed the form. They don't have them.

And let's also remember, your Honor, that this is 1989, in response to that motion to compel that we had, they claimed privilege because they anticipated litigation back in 1989. So they either didn't exist or they were not retained, despite the belief -- the asserted belief to protect documents from production, that they were in anticipation at that time and under a duty to preserve.

Their argument is, well, in an academic institution, you can't glom onto somebody else's thesis, somebody else's work. That's claiming another's intellectual endeavor, that's just not right.

Okay, let them keep it confidential. And the Baxter case deals with this specifically. In Baxter, the Court found, unequivocally ain't enough.

And indeed, your Honor, having shown you the June 9th submission and having trumpeted the device in Rosemont

Illinois to the IEEE in June, one can understand why they were not concerned -- at least in July, I would say not from June to the end -- but keeping it confidential, on the contrary, they were giving interviews about it on the news, they want to create a big stir about it. Therefore, it's not surprising that there are no signed waiver forms, even if those work, (unintelligible) don't and that there are no confidentiality obligations. They didn't tell the test subject, don't tell anybody what a great ride you just had.

Indeed, undisputed fact, they talk about the human subjects in their work, an intelligent way to go about it in case somebody gets upset with you. And here's the inventor saying, we only have 14 of them. So they wouldn't have even applied the waiver form to the other 36 even though the waiver form itself is (unintelligible).

The Baxter case, we summarize here, this is one that was observed in the inventor's lab, the co-worker's ethical obligation is not to steal what they saw in his lab and say it was their own. The Court held invalidity to the public use despite the facts of that case, which had someone seeing it in a laboratory. Probably had to use a key card to get in and everything.

The Netscape case, your Honor, this is the one where the two people some in and see the computer system that hooks into the remote computer system. Again, your

Honor, the computer lab, passwords, the whole thing. That one single disclosure was enough for summary judgement in that case because he didn't tell the user to keep it confidential.

The Beachcombers case, this is the inventor who had the party. The court in there distinguished the Moleculon case that our adversaries cite, because there was just no control of the information. Moleculon, there was control. Beachcomber, the lady loved to show it to everybody and they all went out and potentially talked about it, same thing here. In July, there is no attempt to control any information about what was happening in the car on the streets of Boston, it's in the public use.

The 3M case is instructive, given that in this case, the invention was distributed to employees within 3M. One might posit, as it was argued in that case, that because that the employees are employees of the same company, they were under a duty to keep it secret. Nope, not what the Court found. Failure to be specific in that regard was enough for it to be public use even though it was inside a corporation.

So even if every one of the uses had been driven by another student or another professor or somebody within the corporation of MIT, that wouldn't suffice either for purposes of confidentiality. Remember again, your Honor,

this whole issue of confidentiality doesn't even arise other than they are arguing experimentation, which is precluded ny the act of reduction to practice by -- gotta make sure we get this --

THE COURT: I've got it.

MR. STREFF: If you looked at the circumstances here and if you really understand the public access to the knowledge, it is -- and I think your Honor, saw it from our briefs -- with respect to the workings of the computer system, that's not -- that doesn't have to be disclosed publicly.

The corset case, lady is walking around and you can see the (unintelligible) in the corset. But more particularly, public use is not something that passes out source code to people. It is use in public in the manner intended. Which is exactly what happened in July and other dates.

After the actual reduction to practice -- and admittedly well before the critical date here -- therefore, Claims 1, 42 and 45, having been reduction to practice, having been used on the streets of Boston by drivers under no obligation of confidentiality at all -- it isn't even relevant here, but there's no obligation of confidentiality -- with a university that has submitted papers, subjected themselves to public publicity via articles, has in essence

taken an prior (unintelligible), using it in a different context, has done so and admittedly utilized intersection taxonomy, short/long instructions. Admits at least in Claim 1 it was reduction to practice, and all the evidence -- undisputed evidence shows that Claims 42 and 45 were reduction to practice, therefore, those claims are invalid. There's no genuine issue of material fact standing in the way of their being held invalid under 102(b).

With that, unless your Honor has any questions, I'll reserve time if we need to respond to their argument. Thank you for your attention.

THE COURT: Let me hear from the --

MR. BAUER: Thank you, your Honor.

(Pause.)

MR. BAUER: You Honor, what Mr. Streff has shown without any question of fact is two things that we don't dispute. And I think that probably 20 minutes of his argument were addressing the two things we don't dispute, that there was no written confidentiality agreement, we don't take issue to that, and that the product was driving on roads in June and July of 1989, we don't take issue with that. But those fact don't invalidate the patent.

What Mr. Streff doesn't mention -- and there's a few things to keep in mind -- in 2005 the Federal Circuit wrote a decision in Invitrogen. I don't think -- I may be

wrong -- I don't think I saw Invitrogen mentioned on those slides. It sets the case law. And I believe -- I won't swear to it -- but I believe every case cited by Mr. Streff was a pre-2005 case.

The question here is not whether this thing was driving on a street. The question is, was there a public use? Public use within the meaning of the statute, section 102. The case law is clear that non-secret use is not the same as public use and I think that's where we go down the wrong road. Non-secrete use is not ipso facto public use within the statute.

THE COURT: Deal head on with the admission. With, what does reduction to practice mean?

MR. BAUER: So that takes me to the Invitrogen case, your Honor. Invitrogen says that the test for public use, under the statute -- and it's following -- Invitrogen is the case that follows on from the Supreme Court case that was a non-sale case. Same statute, 102(b). The (unintelligible) was on sale and then the second prong to 102(b) is public use.

Invitrogen says that the test for public use is that there's two prongs, was the use public and was the invention ready for patenting. Those are the two prongs that you need for public use. Ready for patenting and public use.

Ready for patenting -- some Courts say ready for patenting is when it's reduced to practice, it's ready for patenting and that's the prong that Mr. Streff is going down. That because we say that this thing was working on the streets, it was "Ready for patenting."

The second prong though under Invitrogen is, was there a public use of this thing.

THE COURT: Is that where your debate is? So does it read, the ready for patenting prong is not in dispute, that it was ready for patenting based on the --

MR. BAUER: That's right, your Honor. The issue is --

THE COURT: So that's out of it.

MR. BAUER: That's right, that's what I'm saying. They've proven it was ready -- it could have been patented. There was a sufficient product in operation that if somebody wanted to go to the patent attorney, the patent attorney could have written a patent as early as June '89.

THE COURT: Okay.

MR. BAUER: There's that prong.

We're in the public use prong. And Invitrogen says, the test for public use includes consideration of evidence relevant to experimentation. Invitrogen says. a bar arises when before the critical date, the invention is in public use and ready for patenting. Evidence of public

use may negate -- I'm sorry -- Evidence of experimentation may negate the public use bar -- prong. That's Invitrogen.

And then we go from there. What are the tests of experimentation according to Invitrogen? The nature of the activity that occurred in public --

THE COURT: Go back though. What about the case law that says you can't have experimentation after it's been reduction to practice?

MR. BAUER: All of these are pre --

THE COURT: Pre -- So that line doesn't --

MR. BAUER: There are come cases that say that. For all the cases that say that, there's other cases that say, we've looked at it. That's where fact came along and talk about the on-sale side and Invitrogen talks about the public use side.

THE COURT: So in your view, that principle no longer has an application?

MR. BAUER: That's right, your Honor.

THE COURT: All right.

MR. BAUER: That Invitrogen says that experimentation may negate public use and that that is a separate prong from ready for patenting.

THE COURT: Okay.

MR. BAUER: And I don't think it it's been clear with those words and then we get into -- well --

THE COURT: God forbid.

MR. BAUER: Invitrogen, I think, is an instructive case.

THE COURT: Yeah.

MR. BAUER: So then the question becomes, the nature of the activity that occurred in public, the confidentiality obligations imposed, public access and commercial exploitation.

Now your Honor,keep in mind that the point of all this is, was something -- in terms of public use -- was something put into the public, that the public has the right to believe was being disclosed? And that's the reason this case law is out there and it's to say -- the Supreme Court says in -- the Supreme Court in one of these cases.

Actually, it's the case that they rely on most heavily, Baxter, which they cite to where the Court said, one of the policies underlying experimental use is allowing the inventor sufficient time to test the invention before applying for a patent. So that's why the reduction to practice is a separate thing. How can you possibly be testing the product before applying for the patent? That's why they have to be separate paths, because you've got to test it. But just simply saying, because it's operating, you no longer are allowed to test it, puts you into conflict.

THE COURT: I guess I don't understand why the reduction to practice wouldn't be after the experimentation.

MR. BAUER: Well, reduction to practice as a definition -- reduction to practice is, when is it operating or when is it at a state that the inventor has reasonable expectation that it will operate.

So that's what the inventors were saying, in June '89, they knew they had something here that could operate, it was in the car, it was driving around, they knew it would work. But it wasn't ready to apply for a patent in the sense that --

THE COURT: No, I thought it was ready to apply for the patent.

I mean, that's my problem here --

MR. BAUER: That's -- they wanted to test it to see if it was worth going ahead and applying for the patent. So sure, they could have done it. But there's the field testing that's part of the process. It allows -- again, Baxter -- it allows the inventor to refine the invention and assess its value relative to the time and expense of prosecuting the patent application. That's Baxter.

So yeah, you have this thing that the inventor says, I think this thing's going to work. In fact, our inventors say, I've had a high level of confidence that it would work. I was putting people in the car, I saw it work.

So it's reduced to practice in that it's operatable -- if that's the right -- it's able to operate.

THE COURT: Okay.

MR. BAUER: All right, it's reduced to practice. But it's not public use. You're got to have both.

Reduced to practice doesn't end it. You're allowed -- because if that ended it -- remember, your Honor, if all it was is reduced to practice, then even the person doing it entirely in his lab, entirely privately for a couple of years, would lose the rights to get the patent.

THE COURT: But you need to have these 50 road tests, field tests, be deemed experimentation. I mean --

MR. BAUER: No, your Honor, the question is --

THE COURT: Even these are, in and of themselves, don't constitute public use. Even if it's not part of an experiment?

MR. BAUER: That's right, your Honor.

The question is whether when this student is driving it around on the streets, that is a public use? And the experimentation goes to the issue of whether that is a public use. And that goes back to the first thing I said, your Honor, non-secret use is not the same as public use.

Public use is defined by the Courts as an expectation given to the public that the invention is being disclosed to the public. That's what public use is, you've

got to understand the --

THE COURT: But how much of the invention has to be disclosed?

I mean, clearly these drivers could say, hey, I went on this ride and it was really neat, you know, and the car talked to me.

MR. BAUER: Right, that's all they knew.

THE COURT: And that's not enough for it to be a public use?

MR. BAUER: That's --

THE COURT: You're saying that they have to understand how it works?

MR. BAUER: They have understand what the -- the driver, the person who is learning the information, that the person -- the public, this is public use, whatever the public is, has to believe, be able or have a reasonable belief that you are publicly disclosing, divulging, giving up to society, the invention.

THE COURT: And what is the invention?

MR. BAUER: Well, in this case, your Honor, the invention is how it's working, the discourse generator.

You know how we know this isn't public use or not sufficient? Because as Mr. Streff pointed out, there were publications in that June and July time period. There was an abstract, there was a conference that we went to -- that

the inventors went to and that information was all disclosed to the Patent Office, there were some limited publications -- thin publications made about this before the critical date. Abstracts, not the technical detail of the thesis that disclosed the invention. Those publications were given to the Patent Office and the Patent Office did not find those publications a divulgation of the invention. If those publications were not a divulgation of the invention to the public, well these students had no more information than what was in those publications.

And that's why you need -- and again, the reason you have the public use is because you're allowed to reduce it to practice and test it in your lab all you want. Nobody challenges that aspect of it. There's no law that says one year you reduce to practice, you must apply for a patent. No law that says that.

The law says, when you put it into public use. And how do you start measuring public use? Does the public have access, is it publicly disclosed? And there's four things that the Court needs to look at to decide if this is public use under Invitrogen, four things: the nature of the activity, confidentiality obligations on those who observe the use, public access to the use and commercial exploitation.

And now we look at the totality of that package to

reach a conclusion, was this use being disclosed to the public as opposed to being on the street?

So if we look at those four. Commercial exploitation. Easy, nobody questions it. Mr. Streff said that they don't question this being commercial. So we take that one right off.

Public access to the invention. I don't think there's anybody challenging that, that the students didn't have access to the invention. Six of the nine elements were back at the lab, they were all running on the computer. Just to remind your Honor just in case. What was being tested at the time, because at the time computers were so big, the computer was sitting at the media lab, so all they had in the car was a cell phone giving directions. That's all the students saw.

There was no offer to sale this. There's an argument in the brief that because they were hoping to raise some investment money, but the case law is clear that that's not a commercial exploitation, trying to get people to invest. This wasn't investing actually, this was research sponsorship, even further removed. But no allegation, I think, of commercial exploitation.

Public access. No issue that the people driving it had no access at all to the invention. The discourse generator, the speech generator, the technology.

Confidentiality obligations. Again, we don't dispute, there was no written confidentiality obligation. We don't need ten minutes of slides to prove that. But the case law is very clear that written confidentiality agreements are not required. And in fact, when you look at the case law, the ones --

THE COURT: Well, according to you, they had nothing to disclose. All they --

MR. BAUER: That's right.

THE COURT: All they knew was that this invention existed but they didn't know the details of it, so what could they disclose. (Unintelligible) argument.

MR. BAUER: That's right, I think the inventors -- why would anybody even have been thinking about confidentiality obligations if they had nothing to disclose, why would you impose on that?

But we have cases here, your Honor, one of the -- there's four cases that we think are -- I hate (unintelligible) that cases are indistinguishable because there's always something to distinguish them. But the four cases that we point to, we think are just so much closer than the other cases.

But one of them, TP Labs, I use that as an example. TP Labs is a dentist putting retainers, positioning apparatus in their patient's mouths. And the

Court said, no confidentiality obligations with the patients. The Court found a dentist/patient relationship equivalent to a vow of secrecy.

Well, that's a Federal Circuit decision --

THE COURT: I'll have to read it.

MR. BAUER: All right, that was the words.

Now, I can understand a dentist may have the obligation, but I certainly don't think the patient has any obligation. But the Court found in that instance the dentist/patient relationship, it's the circumstances. The circumstances would be in that case is the patients aren't thinking, gee I can run off and disclose this.

In Moleculon -- so that's TP Labs, Federal Circuit case.

In Moleculon, the Rubics Cube case. He disclosed it to people in his office. No confidentiality obligation at all. And the Court finds that there was no need for an express agreement, privacy -- it was never used without an expectation of privacy and confidentiality.

Now, what we have here is in a research setting, these are students coming in. So remember, we're on summary judgement here, so maybe, there's a good question of cast whether the students and the researchers had an expectation --

THE COURT: But you're not suggesting that these

students were in any way prohibited from disclosing what they were doing? That they were going for these test drives, they were --

MR. BAUER: That's right.

THE COURT: -- this is what they saw, this is what they called -- I mean, there's nothing in the record that says that's --

MR. BAUER: No legal obligation. Whether there was an expectation that in a research setting -- well, there was nothing disclosed about the invention to these students, your Honor.

THE COURT: I mean, I think you need to -- I would need to find that that's a critical fact. Because otherwise, you have not gotten to the level -- even if you say that there's some confidentiality in the academic setting, I don't think it goes to, what did you do today, I went for a test drive.

MR. BAUER: Right. That's right, your Honor. Of course, they could have said that, they could have said, I got paid $5 to go and -- when I was at MIT, I put myself through school as a human subject, that was my --

THE COURT: More information than I needed.

(Laughter.)

MR. BAUER: Okay.

But, your Honor, that's right. And nobody ever --

you'd go and you go back, but you never knew what was the invention on the other side, you knew you were being asked to -- you always know that you're there being observed. You know that you're in a research environment. And these students, no question. We submitted the document that they signed. That they were subject to the MIT standards on human testing and the document is here -- not the signed document, we don't have those -- but the document that they were asked to sign.

THE COURT: And it is only 14 or 16 of the participants that --

MR. BAUER: Your Honor, that's not in the evidence. What's in the evidence is that in one of the documents, the inventor had said, we got 14 people that have signed it recently. And I don't think that anybody says only 14 out of the 50 signed it, I think the evidence is that he recalled or there's a document where --

THE COURT: Do they all qualify to have signed it? I mean, are they all the right kind of participants who would -- Some weren't students, so --

MR. BAUER: Of the 50, we don't have the details of who the exact 50 are. So whether there was a friend in there or not, that's not in the record, your Honor. I think we're talking about 50 people who clearly knew -- and what's clear in the record, clear -- that those 50 people, no one

was ever -- and the inventors say this -- no one was ever given the keys to the car and said, go out and drive around town. These were people where the inventor always was in the car operating the system, always taking note, always in the context of this research. A hundred percent of these instances, according to the inventor, were in the context of that research.

THE COURT: Okay.

MR. BAUER: With one exception, NEC, which was the sponsor, which also got to ride in the car and I think that's a separate issue.

So your Honor, none of the invention was ever disclosed, TP Labs and Moleculon, the invention was disclosed. The Rubics Cube was handed to somebody, that was the invention. TP Labs, the retainer was put in the person's mouth.

And then, your Honor, the best case is City of Elizabeth, which is a Supreme Court case and sort of the seminal case in this field even thought it's still 100 years old. But in this instance, it is really the best case. It's extensively quoted in all the other cases.

The City of Elizabeth was paving bricks at a toll booth where the Court says, the use of an invention by the inventor or any other person under his direction by way of experiment and in order to bring the invention to

perfection, has never been regarded as a public use.

And there was no question with reduced to practice. It was out there, it was in the road, these were paving bricks. It was done, it was sitting there, people were driving over it. There was no sign, confidentiality or anything. This was there, it was part of the road. But they wanted to see how well would it last , for how long. It was durability testing. Will these bricks withstand all the -- whatever they were looking at back then, horse and wagon, whatever. But the Supreme Court said, that is not a public use. No confidentiality obligations, not commercial, not -- well, accessible to the public, they see it. But the public needs to think that it's been dedicated to that. But again, there, the whole invention is disclosed.

The one case that Harman cites -- the one case they put up was Egbert, the corset case. When you look a their cases, your Honor, whatever language is taken, is snippets.

Every one of their cases, ever one is -- well, I think every one is before Invitrogen, but I'm fairly certain or highly certain that every one of their other cases has one of two facts. Either it was a commercial exploitation, which goes to the policy issue or it was given to the person without any restriction on their use. That's the Egbert, the corset case, very important on that decision. The key

issue in that decision was that it was given to the donee without limitation or restriction or injunction of secrecy. Now in that case, the donee was the guy's girlfriend or fiance, the Court said, no restriction.

I think in every case they cite, you'll see one of those two things. Given without restriction or cor commercial exploitation. When it's clearly in the context of an experimentation, development, perfection of the invention, I think it's always found to be a non-public use. And again, it goes to, what did the public know?

The question, your Honor, is -- well, what's not in this record is any evidence from anyone, any -- there's no evidence because they haven't deposed any of the students that were there. By the way, your Honor, remember, one of their partners at Kirkland was one of these students at the time and they submitted evidence that he says that the thesis was given. If you remember, there's a draft --

THE COURT: Right, I don't know that he was in the car though.

MR. BAUER: Well, I don't know if he was in the car, we don't know that. We don't have any record from them. But what we do know is that he was working on the project and that that's where he got the document. But no affidavit from them.

So there's no evidence, your Honor, to suggest

that anybody thought that this invention was being disclosed to the public. They're jumping to the conclusion, they're asking for an inference on this record. A record that says, 50 students in a test system --

THE COURT: Listening to both of you though, is seems to me where the real distinction is what -- you're distinguishing between what needs to be disclosed to make it public disclosure, not the facts as to what was disclosed.

The overall picture is there. These students or whoever, rode around in the car, they used it. It was ready for patenting.

MR. STREFF: Right.

THE COURT: It was a functional -- if you want to call it, prototype, whatever you want to call it. But it seems to me that where the distinction comes in both your arguments is, is knowing about it enough to make it a public use.

MR. STREFF: Right.

THE COURT: And nobody is suggesting that these students could take it, bring it home, take it apart and go figure out it worked, like a corset or anything like that. So help me with that.

Your argument, I guess basically is, you have to have access to the nuts and bolts of it, not just the concept of it. And I guess the defendant's argument is

more, once you know about the Back Seat Driver, in and of itself, that's enough.

MR. BAUER: Your Honor, what I would point to is the students knew nothing more than what was being published at the time. And the Patent Office saw what was being published at the time and didn't find it an invalidating use. Remember, what makes it invalidating is that the invention is in the public. That's what's invalidating. Not that a car was driving around, but that the invention has been disclosed to the public.

And the policy reason of that one year date, is to keep you from putting it in the public and then taking it back with a patent. You're allowed to but it in the public and then get your patent within a year, but you can't put it in the public and then more than a year later, take it back. That's the on sale -- Mr. Streff was right, the one year date is rigid. It's the most rigid rule in the Patent Office. If you sell one unit, commercially exploit it or publicly disclose your invention more than a year before, the public owns your invention.

Bot all they own is what you give in to them. And in this case, what we gave before the year, is no different than what was published before the year. All of which was given to the patent office.

And if what was published didn't invalidate this,

certainly what the students knew couldn't invalidate it. If they didn't know anything about the invention other than, we used the example -- it was Knight Rider, the TV show. They saw the car talking to them. It could have been somebody's mother in the back room giving directions. That's all they -- well.

But that's all they heard, was directions coming over, your Honor. And that's really -- you've got to focus on what's the policy issue of the public use of this, not to yank it back. And that's what all the case law talks about. I don't know if that helps.

And that's really the argument, your Honor. I think you've got to focus, and just to remind your Honor, this is summary judgement, it's their burden to prove by clear and convincing evidence, not just preponderance. Their burden on this motion, clear and convincing evidence that on this record, MIT publicly disclosed the invention and publicly used it so that the public believed it was out there. And I think on this record, driving it on a street doesn't do it.

Your Honor, we also had a cross motion on the thesis, I don't know if you'd like me to roll into that right now or --

THE COURT: No, actually. It'd like to hear the response to this and then we'll get to the thesis.

MR. STREFF: Thank you, your Honor, I'll try to be brief and address the specific issues.

THE COURT: Thank you.

MR. STREFF: First of all, to the fact that the computer wasn't in the trunk, it was back at the lab, I direct your Honor's attention to page 14 of our reply brief where we cite the NTP Research in Motion case, a 2005 case by the way. Where it held, use occurs where control of the system is exercised and beneficial use of the system obtained. This was the Blackberry, your Honor, and all the Blackberry stuff is somewhere else.

In addition, the Netscape case, the whole purpose was to access a computer outside of the lab. So the mere fact that the LIS computer was at the lab, not in thr trunk, has nothing to do and is irrelevant to the motion at hand.

Secondly, and more importantly, your Honor has, I think somewhat again, been confused by patent concepts that are being mis-applied here. Reduction to practice is exactly that, it works for its intended purpose.

Ready for patented means that you can take some drawings and descriptions, send it to the Patent Office and the Patent Office would say, you've filed enough, make it ready for patent. His case is, ready for patent. They haven't built it yet, so there could be experimentation.

Once you reduce it to practice, there can be no

experimentation and they loose. And the case (unintelligible) reply, we deal with Invitrogen, it was not an earth shattering case, it did not overrule anything. They have it (unintelligible) language, accessible to the public. We submit as a matter of law that the driver was a member of the public in each of the 50 uses, he or she heard the commands, he or she inputted the data, each of the claim elements of Claims 1, 42 and 45 were experienced, beneficially used out in the public for its intended purpose by that public person. Those facts are immutable, he's admitted those, they cannot be changed.

And more specifically, experimental use. It's not putting the final tweak on the thing. The new Railhead case -- I believe another recent case -- says, experimental use means perfecting or completing an invention to the point of determining that it will work for its intended purpose. Not that it's great, not that it's commercial.

He tries to mull the issue of on sale, I'm not arguing that. Was there commercial stuff here? Sure, General Motors, the guys taking pictures of themselves in the Acura Legend, yeah, we will get to that at trial, that will be fine. Hopefully not.

But would it work for its intended purpose? The 50 subjects drove out, came back, survived. It worked for its intended purpose, it was reduced to practice.

It may have been ready for patenting a long time ago. I would submit that some of that April documentation they have could have been sent off to the patent office, ready for patenting. And there may have been a time where they were trying to figure it out. Boy, (unintelligible). That April 30 report I showed you, talks about it working, working well, successful. There can be no clearer or convincing evidence that it worked for its intended purpose.

Therefore, both by the reduction to practice and by the definition of what experimental use means in patent law. It does not work for them here and it cannot. Because that, with respect to which there could be experimentation, had already been shown to work for its intended purpose. Otherwise, the damn car would be sitting somewhere out on the streets of Cambridge.

THE COURT: What about his argument that all that these drivers knew was what was included in the articles in the --

MR. STREFF: Well, here again, he cites no case where the user's intent is important. The case he cites says, accessible to the public.

We submit to you, the great wealth of case law here suggests that the lady using the corset didn't have to know how it worked. The Netscape case, the people using the computer terminal to access the other remote terminal didn't

have to know how it worked. The rim, NTP case, didn't have to know how it worked.

The fact that you put it out there and it is in the public and it's used in the public, is what the statute prevents. Not because you won't pull it back. Because you are commencing the disclosure process and it's your duty under the patent law, within a year, to get the patent application on file or forfeit your rights. And your Honor, they knew this, this is not a situation where they were naive.

Exhibits 27 and 28 that we attach, have their docket sheets from their patent application, both of which cite the June 9th, '89 IEEE conference. They knew they had disclosed it. We would argue, that was enough to actually enable them but we're not arguing that here, we'll argue that at trial. It was out in the public, they knew they should have filed their application, indeed prior to June. So it's not a question of somebody sneaking up on them.

This is a question of having put into the public, accessible to the public -- and it's not a person watching the car. Our point is, each of the 50 people, each person was a member of the public. The NEC guy, the GM guy, may have been more public, but based on all the information we have, they never took any steps with respect to any of the students to make them anything other than public. And they

admit the uses, they admit the uses in July.

And enablement of -- these papers that they enable, not a question here, doesn't have to work. Because we know that there was a working embodiment that that was driven around the streets. Enablement by the papers only goes to whether it's a publication, which is kind of the next argument when I get tot he cross motion.

So specifically, your Honor, in the context of this particular case, they do not deny, the 50 people who didn't sign anything, drove this around and they admit that it was rescued to practice. And reduced to practice, I submit to you, trumps ready for patenting. Two different concepts for two different reasons.

In the Supreme Court case, the ready for patenting prong with respect to an on sale bar, was an attempt to commercialize. And the issue is, what are you commercializing? That which is ready for patent. Here in our context, we're talking about public use, having already been reduced to practice, they knew, and the law requires that we hold that it worked for its intended purpose. Once it did so, experimental use can't work because there can be no additional experimentation. Because experimentation under patent law is to see if it works for its intended purpose and they admit it did.

In addition, your Honor, asked about the 14 versus

36 subjects. The report they submitted, which I think is Exhibit 18, your Honor, Mr. (unintelligible), December 19th of 1989, signed a document, requested by him from the university, many subjects had been used since the last approval -- which actually was back in January -- since the start of this project -- which would be when they started doing it -- he says 14. So what about the other 36? This is his submission and he did it in December of '89. So it covers the whole time period. So your Honor was right.

Unless you have any other questions?

THE COURT: No. As always, I understand the issue.

MR. BAUER: Your Honor, just two very short -- the NTP case that they talk about is an infringement case, it has nothing to do with validity. So this NTP rim had to with, do all the elements have to be in the United States? And the Court said, one of the elements, if it's out of the U.S., might still be an infringement.

Your Honor, one other case which I forgot to mention, and it goes directly to the question you keep asking me about, public use and what makes it public use. And then I was able to pull it out while I sat down. The Manville case, Manville v. Paramount and it's at page 550, this is a Federal Circuit case.

What this is is lights, parking lot lights. So

they're on a stanchion in a parking lot, looking to -- you know, shining on the lights -- out there working. Just again, another road kind of a thing.

Manville did nothing to lead the public to believe that its invention was in the public domain -- Manville did nothing to lead people to believe it was in the public domain. Although Manville did not advise anyone that its use was experimental and was not intended to release its invention into the public domain, the particular circumstances made such efforts unnecessary. The invention was mounted atop a 150 foot tall pole in a rest area, closed to the public, making it unlikely that the public would see the new design. So we're talking about the invention. We conclude that there was no conduct by Manville that would lead "the public," in quotes, because that separates -- you know, the students aren't the public, but we're talking about the public society.

THE COURT: Well, he says the students are in the public.

MR. BAUER: Well, your Honor, I think --

THE COURT: I mean -- right?

MR. BAUER: Well, I think their position is, anybody who isn't employed by MIT is the public. But the policy is the public as a whole. But here -- there was no conduct that would lead the public to reasonably believe --

so when they say it's not our -- what is it we say, it's not -- the inventor -- no conduct by Manville that would lead the public to reasonably believe the invention was in the public domain. Nor is there any indication that the public had such a perception. And that was -- those are the issues.

Was there anything here that would have lead those 50 students to believe that the invention was in the public domain? I think on this record, you can't find any that's clear and convincing that we did lead them to believe it was in the public domain. And I think, as your Honor's noticed, all the evidence here suggests that it wasn't in the public domain. It was not being disclosed to the public, but was for testing purposes. And whether these students at the time, the MIT -- the PhD, the inventor, asked about a confidentiality agreement, he didn't think about it, all right.

Bit all the evidence suggests that there was no effort to put it in the public domain and there is no evidence that the public had that perception. Those two facts are completely missing in this case.

THE COURT: Before you sit down, I gather that there is no issue on the supplemental answer to the interrogatory?

Mr. Streff, question: the second supplemental

interrogatory response at the end of discovery? I gather that -- you're sticking with that it was reduced to practice and --

MR. STREFF: We withdrew -- so what happened was, the initial response said all these claims were reduced, then the inventor said, I don't know when these two features were actually added. And so after that, we amended to interrogatory to be consistent with the testimony.

THE COURT: But that relates to the Claim 42 and 45?

MR. STREFF: That's right.

THE COURT: Claim 1 is not an issue?

MR. STREFF: Claim 1 is not an issue. And your Honor, the issue --

THE COURT: Forty-two to forty-five is just the inventor saying, I don't know --

MR. STREFF: The inventor said, I don't know when these two features were actually in the -- in the system.

THE COURT: So I need to look at the record apart from his -- he doesn't know, so it --

MR. STREFF: So there's no evidence on that issue, right.

THE COURT: Well, I guess they contend that there's other evidence.

MR. STREFF: Okay, that's right. But then we get

the question of fact in this. Just to remind -- okay. I always do that because every now and then, Courts, when they start writing, some Courts lose track of the standard and that's why I keep saying it a lot. Not --

THE COURT: Wait until I have to go back to Markman.

MR. STREFF: Okay.

THE COURT: One quick --

MR. STREFF: Your Honor, one quick rebuttal point to his reply and my rebuttal and my beginning.

The record that's different here, Rosemont, June '89, telling the world exactly what was going on. So irrespective, he's talking -- we don't agree that the public intent is an element. You know, he pulls language out of cases, that's fine.

What's different here is, they did tell the world, the did put it in the public domain, the abstract, exactly what was going on with the invention in June of '89, during and before the time of the public uses.

THE COURT: Well what about the fact that the Patent Office had that information?

MR. STREFF: Different issue, your Honor. That that goes to an invalidity based upon a prior art, goes to anticipation or it goes to obviousness. Public use stands alone. His point is, that he says accessible to the public

means you have to have done something that tells the public that the invention is out there. This tells the public that the invention is out there. We're not submitting this to you under this motion as dispositive, per se, that this is prior art, therefore it should be thrown out based upon this reference.

But to counter his situation that they just didn't know what was going on,

A: Everything that the driver did, exercised each and every one of the elements of the three claims, and;

B: It was not a question -- they don't have to know about it, they exercised it for its intended purpose, it worked successfully, it worked well and at the same time, June of '89, they go to this conference for three days with all the IEEE folks in Rosemont, and they submit an abstract telling exactly what the invention was all about with no secrecy whatsoever. They're trumpeting it.

Very different from the other situation we discussed --

MR. BAUER: Your Honor, it points exactly to what the issue is. If this doesn't invalidate it, and this is what the students knew, then the public use cannot invalidate it. Because what makes -- what 102 says is that anything that took place before the year, is prior art. It is -- that's what 102 does --

THE COURT: Well, no. Then the question then becomes, does it have to be -- does the disclosure have to be the equivalent of prior art. And that's where you have a very big distinction here as to what needs to be disclosed.

MR. BAUER: Right. Because 102 defines prior art, that's what it is. Section 102 defines the world of prior art. And prior art is, that which was publicly used more than a year before. And -- because you can't take it away from the public. Okay.

THE COURT: All right. Thesis.

MR. BAUER: Thesis, your Honor.

Your Honor, this comes from the inequitable conduct motion. After we argued that motion in front of you, and we went back and we said, you know, why are we even arguing this thesis thing because there are no facts here on the thesis. So this is not a dispositive motion, this is really a motion for partial summary judgement on this one issue. And the one issue is, was the thesis prior art that invalidates the patent?

Now there's no question that the thesis is material in the sense that it discloses the invention. It's not material if it's not prior art because proper materiality requires two things, does it disclose everything and is it prior art? So it's not material in the legal sense, but certainly in the substantive technology

disclosure.

We bring the motion, your Honor, because there's only things -- fact discovery is closed -- there are only six things that they point to, Harman points to, as trying to make this thing prior art. And what they've done, your Honor, is the broad brush strokes of speculation here and let me just tell you what the six things are -- and then there's no evidence behind them.

The six points that they make to say it might be a question of fact, is that the inventor said he could have printed the thesis at any time. They point to the fact that it was on a computer, is irrelevant in this issue and doesn't create a question of fact as to whether the thesis was published more than a year before.

The second is that a University of Minnesota student had sent an email to the inventor saying, can I get a hold of your thesis? That email is dated more than a year before, there is no evidence that anything was ever sent to the student. The inventor doesn't say he sent it, there's no record that it was sent. Zero evidence that thesis was ever sent. Even if it was, one distribution wouldn't be a publication. But your Honor, on this record, zero evidence and when there's no evidence --

THE COURT: Didn't I find that there were disputed facts as to when the thesis took place and when the -- the

defense took place and whether or not it was available and what circumstances happened at that time?

MR. BAUER: Your Honor, in out opposition to their -- when it was their summary judgement, we came in and we said it wasn't published, but at a minimum, it was questions of fact and you agreed with us.

Now we're saying, now that we know what the size issues are, we're going now --

THE COURT: All right, I understand that. But my sense is, and I ned to parse it out again, but my sense was that you had credibility issues of witnesses about what went on. People didn't really remember things, some of the language was inconsistent, that the depositions were not as clear as your briefs. So unless there's --

MR. BAUER: There's nothing new, your Honor. It was the six, but what I was saying is --

THE COURT: They're saying they haven't met their burden, they've done --

MR. BAUER: So we're flipping it around. So before -- right. Was it -- because there's no dispute. I mean, I don't think that the -- the Minnesota student for example, use that as an example. Somebody says, can I have a thesis? No evidence, zero evidence one was disclosed.

Is it a question of fact as to whether the thesis was actually sent to her or not? I think that may be a

metaphysical question.

If we say there's no evidence, is it a question of fact when they say, prove there's no evidence. All I'm saying, there is no evidence. And that's the point of this motion, your Honor. On the six things that they say, all of these could have resulted in a thesis going, we're suggesting to your Honor that there's no evidence that a thesis did go.

THE COURT: Well, what I didn't know, and I need to read your new materials as well. But for example, if Davis -- you know, he didn't remember when his thesis was, I don't know his defense.

MR. BAUER: Right.

THE COURT: I don't know if on cross examination, there's a chronology that somebody will come up with to place this at some time period that becomes significant or not. I mean --

MR. BAUER: Okay. Well, that would be -- if your Honor, thinks that that's a question of fact, then we'll just --

THE COURT: I don't mean to cut you off, but it's the same record as was --

MR. BAUER: That's right.

THE COURT: I mean, I felt that with this other motion on -- it was a broader record than what I had before

me --

MR. BAUER: Right.

THE COURT: -- on sort of the same scenario, but it had more facts in it. I think that your record here is the same record ant you're just asking me to look at from --

MR. BAUER: From the flip side.

THE COURT: -- the flip side.

MR. BAUER: That's exactly right, your Honor. Because now, we're saying from the flip side, they need a scintilla of evidence that the thesis was.

So for example, to use the thesis defense. Davis says he did not defend it in May of '89. That's his affidavit, defend in May '89.

They say, well, your Honor can speculate that it was defended somewhere between May '89 and August '89. But we're saying that it's their burden to come up with some evidence. There's no evidence as to when it was defended on this record.

THE COURT: I guess my sense is -- and I don't know, I'll look at it again -- but my sense was, you know, he really fudged it and since you were dealing with August versus September --

MR. BAUER: Right, right.

THE COURT: You know, he was saying it was close to the end of the year so I could graduate.

MR. BAUER: Right, that's right.

THE COURT: How close is close and should a jury make that determination?

MR. BAUER: Well, if your Honor believes that it's subject to cross examination, all I'm saying is that on this record, there's no evidence as to when that thesis defense took place and it's their burden to prove when it took place and they have no evidence, it's just the speculation that it could have been there. And that's the point of our argument, that there's no affirmative evidence being put forth as to a date and they're asking the jury, pick any date you want essentially and we don't think that's (unintelligible).

THE COURT: Okay.

MR. STREFF: If you want to be heard, I'll hear you. But as long as the record -- Oh no, here's your chance, you've been so patient.

MR. LEAVELL: Your Honor, I think you're exactly right. I think we do -- we thought there were strong enough presumptions that it would carry the day on summary judgement. The lack of evidence is entirely the result of MIT's lack of preservation of documents. We had hoped we'd get more traction with you in the sense that they didn't preserve those documents even though they were claiming work product entitlement to preserve -- so they didn't have to

preserve those documents.

That's why we felt compelled to bring that motion on those facts and say, if any doubt, it should be resolved in our favor because they failed to preserve the documents and they had the duty to do so.

THE COURT: Okay.

MR. LEAVELL: If you're not going to draw that assumption and hold it against them, thin I think there is a fact relationship that we can explore at trial to prove when this thesis was defended and when it was sent to Mr. Ritmeuller and when it was sent to Dr. Streeter. And a lot of the documents that talk about these things were given to us after we deposed Mr. Davis and Mr. Schmap, the inventors.

So we deposed them and then we found all the documents that they didn't turn over, whether they withheld them for privilege or whether we had to go to Mr. Ritmeuller to get them, the documents that we assumed they would have given to us, that's why we don't have the clear record, why we don't have the exact time line, why we don't have the admissions. If we have to go to trial on this, and we don't think we should because of the public use issue, but if we do, we will prove those facts at trial.

THE COURT: But the factual scenario is the same. The world of facts at issue here is the same as what I dealt

with in the prior motion.

MR. LEAVELL: With respect to the thesis.

THE COURT: With respect to the thesis.

MR. LEAVELL: Yes.

THE COURT: Okay.

With that having been said, I'm taking it under advisement.

(Whereupon, the hearing was concluded at 11:29 a.m.)

CERTIFICATE OF TRANSCRIBER

This is to certify that the attached proceedings before: U.S. DISTRICT COURT, DISTRICT OF MASSACHUSETTS

in the Matter of:

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, Plaintiff,	)	
-V-	)	CIVIL DOCKET NO. 05-10990-DPW
HARMAN INTERNATIONAL INDUSTRIES, INC., Defendant.	)	

Place: Boston, Massachusetts

Date: November 16, 2007

Were held as herein appears, and that this is the true, accurate and complete transcript prepared from the recordings taken of the above entitled proceeding.

J. Mocanu — Transcriber

05/05/08 — Date